



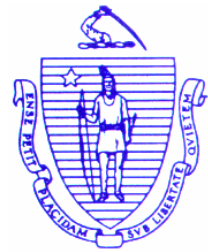
Paul J. Diodati
Director

Commonwealth of Massachusetts

Division of Marine Fisheries

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Deval Patrick
Governor
Ian A. Bowles
Secretary
Mary B. Griffin
Commissioner

May 1, 2008

Mr. Harold C. Mears,
Director: State, Federal & Constituent Programs Office
National Marine Fisheries Office
One Blackburn Drive
Gloucester, MA 01930-2298

Dear Harry,

In response to your letter of April 24, 2008, I am providing the following information as clarification to the Massachusetts Division of Marine Fisheries (*MarineFisheries*) proposal, "Massachusetts Groundfish Relief for Impacts of Framework 42", that was submitted on April 15, 2008.

- 1) Since all commercial and for-hire fishermen landing groundfish in Massachusetts must have a Massachusetts fishing permit, *MarineFisheries* will rely primarily on its own permit and catch-report databases to help solicit industry applications. *MarineFisheries* will supplement this information with federal permit and landings data provided by NOAA Fisheries to help establish the main population of potential applicants for federal aid who will then be contacted directly by mail. Additionally, *MarineFisheries* will post public notice in at least three major newspapers, send a listserve email notice, and place an announcement on our internet homepage to assist in the solicitation. Applications for federal assistance will be developed specifically for this program, but will likely be similar to those we produced for the 2003 "Massachusetts Economic Assistance Program" and the 2007 "Red Tide Economic Assistance Program." The application period will be no more than 6 weeks long.
- 2) Part of the application will require applicants to identify all crew that worked on their vessel(s) during the eligibility period. When determining whether certain crew members may be eligible to receive federal funds, we will consider a combination of the following factors:
 - (a) documentary proof of income and employment or service as a crew member during the eligibility periods aboard a vessel eligible to receive funds through the program;
 - (b) economic value of and employment in the eligible fishery and other economic and social factors that would help determine what percentage of a crew member's total income from the fishery should be considered significant;
 - (c) availability of documentary proof of employment and income to validate eligibility; and
 - (d) additional eligibility criteria promulgated by *MarineFisheries*.

These criteria would limit eligibility of crew members to those who have worked aboard eligible vessels. If a vessel's activity in a fishery is considered by *Marine Fisheries* to be too little to warrant the permit holder's participation in the referendum, it is unreasonable to allow crew members to derive eligibility from their work on that vessel. *Marine Fisheries* will contact all listed crew and allow them the opportunity to be considered for economic relief as part of the 'Direct Assistance For Crew' portion of the grant proposal. The list of qualified crew members will be forwarded to a group such as Shore Support, Family Assistance Center, or other qualified organizations with geographic distribution throughout the state. As *Marine Fisheries* will be required to use the Commonwealth's RFP process to select appropriate entities to distribute funds for crew support, it is not possible at this time to determine a time frame for funds distribution or specific third-party organizations that will help administer the program.

- 3) Appeals will be granted based on existing records of NOAA Fisheries and/or those of *Marine Fisheries*. If *Marine Fisheries* makes an error in the review of existing records, applicants will be given the opportunity to work with the Division to correct any errors. The appeals process cannot begin until all records and applications are reviewed and applicants are notified by mail of their estimated payment. Applicants will then have a three-week period to file an appeal, and *Marine Fisheries* will have an additional two weeks to resolve all appeals. Appeals will be presented to an appeal board made up of at least 2 *Marine Fisheries* employees and one industry representative; *Marine Fisheries* would welcome a NOAA Fisheries staffer to serve on the appeals board. Applicants for the 'Direct Assistance to Crew' portion of this grant will be given the opportunity to appeal if they are not qualified to participate in the program; however, they too will only be successful in an appeal based on existing records. A crew member will only qualify if they are identified as having served on an eligible fishing vessel and have been named on a 1099 tax form during the eligibility period from the eligible fishing vessel.
- 4) Please refer back to the third paragraph of the proposal as submitted and note that *Marine Fisheries* is carrying out the intent of the 2008 Congressional Appropriations Conference Report as instructed by legislation. The 2008 Congressional Appropriations Conference Report appropriated \$13,395,000 to the Massachusetts Division of Marine Fisheries (*Marine Fisheries*) to alleviate economic impacts associated with Framework 42 regulations on the Massachusetts groundfish fishery. The current fisheries management system is making it extremely difficult, especially for small-boat operations working off the Massachusetts coast, to conduct practical, economically-sound fishing operations. As a result, there are numerous impacts felt by individuals, companies and families directly engaged in fishing or who rely on fishing-related activity for a major portion of their income.

The implications of Framework 42 regulations and other (prior) state and federal actions aimed at curbing fishing effort in the Commonwealth's groundfish fishery are wide-ranging and affect individuals in different ways depending on the types of permits they hold and regions that they fish. While our recommendations for use of these federal funds address a broad segment of fishery participants in a fair and equitable manner, our focus is on the brunt of Framework 42, as instructed by the legislation.

Marine Fisheries invested countless man-hours over the past 2 months working with sub-committees, legislators, and the industry to draft the application that was submitted on April 15th. The grant application that was submitted is reflective of a proposal that best reflects the wishes of the legislators that authorized the funding and voiced their opinions, along with the public, during public meetings held throughout the State. The public process, not the Commonwealth, has determined that the application as submitted offers the greatest relief to the Massachusetts groundfish fishery from economic impacts associated with Framework 42 regulations.

We had modeled our application on the previous grant programs that were similar to this one. We had intended on running this program very much like the recently completed 'Red Tide Assistance Program,' that elicited no comments from NMFS, but we welcome your input. We look forward to a quick approval and working with your staff in running a very successful program.

Please let me know if you require any additional information.

Sincerely,

A handwritten signature in black ink that reads "Paul J. Diodati". The signature is written in a cursive style with a large, stylized 'P' and 'D'.

Paul J. Diodati
Director

Cc: P. Kurkul - NERO
M. Griffin, DFG
D. McKiernan, D. Pierce, K. Creighton, S. Cunningham; MA DMF